

# The President's Daily Brief

April 14

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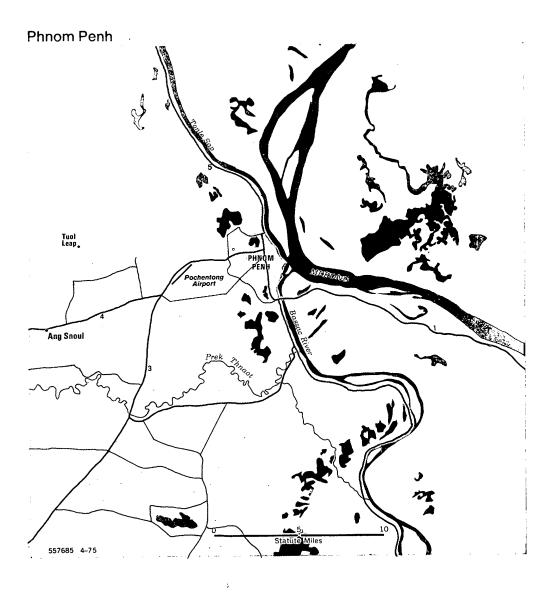
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#### CAMBODIA

Intercepted communications continue to reflect communist preparations for a major push against Phnom Penh; unconfirmed press reports suggest the push began this morning. The new leadership in Phnom Penh appears determined to hold on as long as possible.

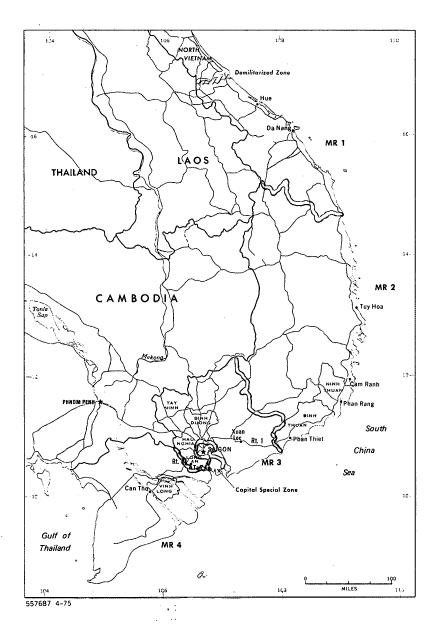
Intercepted messages have indicated a buildup of communist units in the capital area and last-minute preparations for an assault. According to press reports, insurgent gunners began shelling Phnom Penh early this morning and communist ground forces were advancing on the city from several directions.

Sak Sutsakhan, president of the governing "Supreme Council," announced over Phnom Penh radio this morning that a T-28 fighter aircraft had dropped two bombs on the general staff headquarters compound in the capital. Sak said that he and his colleagues were unhurt, but that seven persons had been killed and a number of others wounded. He called on the populace to remain calm and imposed a 24-hour curfew. The bombing appears to be the act of a lone individual, rather than a revolt by the air force; the air force's commander is a member of the seven-man ruling council.

In announcing the formation of the Supreme Council and the imposition of martial law over the weekend, Sak Sutsakhan and Council Vice President Long Boret both pledged to strengthen the military and political position of the government with the aim of achieving a "peaceful solution" through negotiations. Despite its resolution, the government will run out of the wherewithal to continue fighting within two weeks.

Government defenses around the southeastern provincial capital of Svay Rieng reportedly collapsed on Saturday in the face of heavy insurgent attacks. Some government units were still holding on yesterday, but local officials reported that the fall of the city was imminent.

Cambodian army officers described the situation at the southwestern provincial capital of Kompong Speu as "critical."



#### SOUTH VIETNAM

Heavy fighting continues in the Xuan Loc area. The city's reinforced defenders have beaten back strong communist attacks. Effective air and artillery support has contributed significantly to the South Vietnamese efforts to stand and fight.

Route 1 connecting Xuan Loc and Saigon is still blocked by communist forces. The regional commander, however, has decided to launch a major operation today, involving two armored task forces and an infantry regiment, to reopen the highway. Meanwhile, the South Vietnamese are using the C-130 to bomb enemy troops massed around Xuan Loc, and along interdicted sections of Route 1 west of the city.

In the delta, strong counterattacks by elements of the government's 7th Division have forced the North Vietnamese to curtail temporarily their drive to cut Route 4 southwest of Saigon. Three regiments of the North Vietnamese 5th Division are committed to the effort to interdict the highway, which is the rice lifeline to Saigon.

The communists are moving additional forces into position for an assault on the western approach to Saigon. Most of the North Vietnamese 9th Division and supporting air defense units have been detected shifting into northeastern Hau Nghia Province. The communists now have almost three full divisions—the 3rd, 5th, and 9th—along Saigon's western defense perimeter, and this could force the South Vietnamese to shift reinforcements to this front

The most significant action over the weekend in Military Region 4 was in the central delta. Government counterattacks against two communist regiments which had been blocking Route 4 just north of Can Tho in Vinh Long Province succeeded in reopening the highway early this morning. Communist losses were described as heavy.

Government holdings in coastal Ninh Thuan and Binh Thuan provinces are likely to be sericusly challenged soon. Elements of the North Vietnamese 968th Division were detected on April 11 along Route 1 near Cam Ranh. This division has moved south to link up with the North Vietnamese 10th Division, apparently in preparation for attacks on

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the cities of Phan Rang and Phan Thiet. The South Vietnamese believe the North Vietnamese 320th Division may also be moving into attack positions west of Phan Rang.

The government is making considerable progress in rebuilding the combat units extracted from northern and central South Vietnam, and many of them will soon be ready for combat. The best of these units, the Marine Division, already has two brigades ready. A third brigade is scheduled to complete its reorganization in a week, and a fourth about a week

The 2nd Division has four operational battalions, and several others are scheduled to be ready for combat late this week. Parts of two reorganized regiments have been dispatched to Phan Rang and Phan Thiet cities.

The 3rd Division has only one battalion ready for combat so far. Three ranger groups should become operational later this month, and new artillery units are being created for assignment to the rebuilt infantry regiments and divisions.

President Thieu's principal economic adviser has stated that your address to Congress implied that the US wants South Vietnam to "do all it can to stabilize the military situation," and that "some military victories" before April 19 would improve chances of Congressional approval of the aid package. Such an attitude probably explains in part the large numbers of troops and amounts of equipment the South Vietnamese are committing to the battle for Xuan Loc.

North Vietnamese and Viet Cong media are giving more attention to the evacuation of Americans. Both have charged that the "protection of the safety of Americans" is a pretext for military intervention and warn that such a scheme will be "severely punished." In a statement broadcast yesterday, the Provisional Revolutionary Government maintained that if the US would withdraw its personnel from South Vietnam immediately, these withdrawals "will certainly not encounter any difficulties or obstacles."

#### EGYPT

Prime Minister Hijazi and members of the cabinet submitted their resignations to President Sadat yesterday. This action apparently is intended to clear the way for the President's anticipated "internal action program" to treat the country's economic ills.

According to Cairo radio, the President will address the nation today to outline the required work on the domestic front "in the coming phase." Sadat may also announce the composition of a new cabinet, although this step could be delayed several days. Even the promise of cabinet changes would serve his immediate purpose, which is to draw attention away from the breakdown of peace negotiations toward his plans for economic development.

The future of Prime Minister Hijazi, who has had overall responsibility for the economy, is uncertain. He has been doing a good job recently, and the President has few obvious alternative candidates from whom to choose. Cairo newspapers report that Sadat has turned aside suggestions that he should assume the post of prime minister as he did in 1973 and 1974. The most extensive cabinet changes probably will come in the technical and economic ministries.

The most important figures in the cabinet--Foreign Minister Fahmi and War Minister Gamassy--are likely to retain their posts. Sadat has gone out of his way recently to demonstrate his regard for Fahmi; only last week he announced that the foreign minister would go to Moscow on April 19.

According to the Cairo press, Fahmi will discuss with the Soviets preparations for a possible resumption of the Geneva peace conference. Fahmi reportedly is preparing for comprehensive talks that will range from the nature of a final settlement to such procedural questions as how to arrange Palestinian participation in the conference.

#### SYRIA-IRAO

Syrian-Iraqi relations continue to deteriorate. Syrian Foreign Minister Khaddam has rejected Iraq's call for a meeting of Arab foreign ministers to discuss Baghdad's charges that Syria is diverting water from the Euphrates River, although he did agree to consider the dispute at a technical level. Syria probably is withholding water from Iraq to retaliate for Baghdad's apparent involvement in a recent attempt to overthrow Syrian President Asad.

Syria does not want relations to worsen to the extent that Iraq might refuse military support to Damascus in the event of renewed hostilities with Israel. Unless Damascus receives some indication that Baghdad plans to limit its interference in Syria's domestic affairs and to moderate its propaganda attacks on Asad, however, Syria is unlikely to allow technical experts to "solve" the water dispute.

As of last week, Syrian authorities reportedly had arrested approximately 400 Syrians for their involvement in the alleged Iraqi-sponsored conspiracy to oust or assassinate Asad.

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The Iraqi ambassador and his staff are reported to be under 24-hour surveillance, and lower level Iraqi diplomats are being harassed by Syrian authorities. The Syrian Baath Party congress last week condemned the Iraqi government for collusion with Iran, sabotage of Arab solidarity, and abandonment of the Palestinians.

Syria reportedly has moved two armored regiments and some paramilitary units into the Euphrates Dam region to forestall any Iraqi military thrust in the area.

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#### USSR-IRAO

Iraqi strongman Saddam Husayn begins an official visit to the Soviet Union today-his fifth since 1970. Providing a background to his talks is the USSR's concern that its influence in Iraq may decrease. Just now, the Soviets' worry is focused on the agreement Iraq signed with Iran last month in Algiers.

Moscow presumably sees its anxiety over the accord justified by the rapid collapse of the Kurdish rebellion and the easing of Iraqi-Iranian tensions. Even before the agreement in Algiers was negotiated, the Soviets were upset with Iraq's efforts to attract Western technical expertise and to buy Western arms. Certainly over the short term, however, Iraq will continue to look to the USSR for military spare parts, technical assistance, and training for its predominantly Soviet-equipped military.

The two governments will probably maintain their different approaches to Arab-Israeli affairs. Baghdad has repeatedly refused Moscow's suggestions that Iraq moderate its rigid opposition to a negotiated settlement with Israel and support the Soviet approach to the Geneva peace talks.

Iraq is likely to press for Soviet support in its dispute with Syria over the water flow in the Euphrates River. Baghdad complains that the Sovietbuilt Euphrates Dam in Syria diverts Iraq's share of the river. The Soviets, who once proposed an agreement to Baghdad and Damascus to regulate the water flow, may view mediation of the dispute as one way to maintain influence in Iraq.

New economic agreements may be announced during the visit. Iraq, which has over \$300 million in unused Soviet credits, has been negotiating with Moscow recently on numerous irrigation projects. Baghdad may give the Soviet Union a major role in a \$2-billion, five-year irrigation program.

#### PORTUGAL

The Revolutionary Council announced this weekend intentions to continue nationalizing "basic sectors" of the economy. Rumors of a new power play, now circulating in Lisbon, indicate that political tensions are again on the rise.

Leaders of the Armed Forces Movement have designated private interests in communications and transportation as next in line for nationalization. The Revolutionary Council reiterated its concern over Portugal's sagging economy; it has already pledged that the new cabinet will present an emergency economic plan within three weeks.

The US embassy reports that rumors of a new power play are widespread in Lisbon although little specific information is available. It is increasingly clear that the Armed Forces Movement regrets its promise to hold elections, now scheduled for April 25, because of fear that the results will show poor support for the Movement's program. Moderates remain concerned that an effort will be made to cancel or delay the elections, and there are rumors that some Movement leaders are considering a roundup of opposition politicians of both moderate and conservative persuasions.

The Movement has alienated several extreme left-wing parties that have voiced opposition to its institutionalization and to the election process. The Armed Forces Movement has banned one party, prohibited another from participating in elections, and suspended access to radio and television to a third for five days.

Further contributing to the general tension is the ambition of Admiral Rosa Coutinho to be first among equals within the Movement's leadership. Coutinho suggested last week that the performance of the civilian political parties had been so poor that the Movement should form its own party. He proposed that ideologically it should lie somewhere between the Communist and Socialist parties.

### NOTE

In Turkey, the Demirel government--a four-party, right-of-center coalition--won its initial parliamentary vote of confidence on Saturday by a vote of 222 to 218.

The closeness of the vote illustrates the fragile nature of the alliance Demirel has pieced together. It is questionable whether the weak government can remain in power for an extended period.